

Minutes
Vendor Advisory Committee
June 1, 2010

Members Present: Mike Masters, Roy Mata, Nancy Evans, Greg Alexander, Arlene Dilworth, P.D. Morrison, Ron Pigott (non-voting), and Paul Gibson (non-voting)

Members Absent: Gladys House, Diana Keller, Ken Sorley

Staff Present: David Duncan, Pamela Sorell, Kristine Brock, and Dee Dorsey

Others Present: Anne Hoel (SAO), Willie Hicks (SAO), Milton Turnipseed (TIBH), Dave Horton (Strategic Partnerships), Nancy Fisher (Texas Strategy Group)

Item 1. The meeting was called to order at 1:05 p.m. by Chair Mike Masters.

Item 2. Introductions of the Vendor Advisory Committee (VAC) Members, CPA staff and visitors. Due to an unavoidable delay in attendance by Paul Gibson, the chairman agreed to take agenda items out of order to facilitate Mr. Gibson's participation in Item 4.

Item 3. The Minutes of the May 4, 2010 VAC meeting were unanimously approved.

Item 6. HUB Subcommittee: P. D. Morrison summarized a subcommittee conference call held on May 26, 2010. VAC members discussed the conclusions from the HUB Disparity Study-2009, and made the following comments:

HUBs sometimes do not respond to RFPs and RFI because working capital is needed to respond to these requests which might not be available. HUB's would like more information regarding RFPs and RFIs from the HUB coordinators.

Mr. Morrison stated his belief that the state should do more to check the veracity of HUBs claiming to be the prime contractor on bids when in fact they are just a "pass through", participating in the contract only to pass all work and revenue on to their non-HUB joint venture partner.

Action Item: P.D. Morrison will confer with other members of the HUB subcommittee and they will provide possible additional recommendations for consideration by the VAC at the next meeting.

Item 5. Ron Pigott gave a general presentation on the order of Preference for state agencies' purchasing. The order of preference is:

- a. TIBH
- b. TCI
- c. Term Contracts at TPASS or DIR (Different Commodities most of the time)
- d. TXMAS Contracts
- e. GSA Contracts

Item 4. Paul Gibson gave a presentation on the eight risk criteria used in evaluating HUB certifications, and the HUB Compliance Group's application review and audit processes, which include a Risk Assessment report on each HUB applicant. Paul provided an example printout showing application of the risk criteria to a subset of vendors from a specific area in Texas.

VAC members suggested an "amnesty period" where vendors who may have misrepresented something on their certification be given 60 days to comply with HUB criteria or surrender their HUB certification. The VAC members felt that any such vendors who take advantage of the amnesty should not be debarred from doing business with the state; however, they could not reapply for HUB certification for a period of time to be determined.

Action Item: Paul Gibson will provide information on the progress of HUB participation over the last 20 years, to include the percentages of HUBs in 1990 vs. 2010. Paul stated that he was open to having the HUB subcommittee provide information to assist in identifying companies operating as pass-throughs (i.e., not operating within the scope of a contract as a prime or subcontractor), including Good Faith Efforts as they pertain to the HSP.

Draft rewrites of the TPASS HUB Rules are being reviewed within the agency. The committee members expressed a desire to see these rules as they are developed and published. Staff stated that the VAC will be provided with an opportunity to review the rules.

Item 7. Public Comment – None

Item 8. Future Agenda Items: The next meeting will be held on August 3, 2010.

There should be a standing agenda item on legislative matters due to upcoming legislative session. Repost the HUB Subcommittee as an agenda item to allow for the reporting back of any proposed additional recommendations from the full VAC based on the findings of the HUB Disparity Study.

Item 9. The meeting was adjourned at approximately 3:30 p.m.